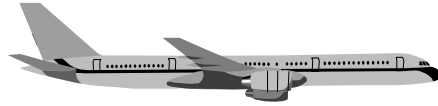


EASTERN SECURED LIQUIDATING TRUST

ESLT/LANGDON AVIATION

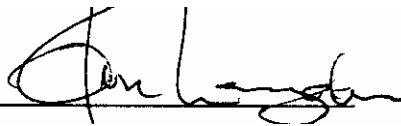


TO THE CERTIFICATEHOLDERS OF THE AMENDED AND RESTATED EASTERN SECURED LIQUIDATING TRUST

Pursuant to Article VI, Section 6.1 of the Amended and Restated Trust Indenture for the Amended and Restated Eastern Secured Liquidating Trust (the "Trust" or "ESLT") as of February 6, 1995 (the "Effective Date"), inter alia, the Individual Trustee is required to sell and lease aircraft, engines, spare parts, equipment and machinery held by the Corporate Trustee and to establish and effect a marketing plan for disposing of the Trust Estate property. In addition, the Individual Trustee is required to prepare and distribute reports to the Corporate Trustee and to the Beneficiaries regarding the administration of the Final Assets comprising the Trust Estate, other than cash and investment property.

Attached is the Individual Trustee's Report for the forty-fourth (44th) quarter ended December 31, 2005. The Report includes a compilation of the cash receipts and disbursements of the Trust from October 1, 2005 to December 31, 2005, a reconciliation of the cash in various reserve accounts, explanatory notes, and schedules of aircraft and engines held within the Trust. The compilation statement is not intended to present the financial position and results of operations of the Trust in conformity with generally accepted accounting principles.

Dated: March 15, 2006

By: 
Glen Langdon
Individual Trustee

QUARTERLY REPORT
as of December 31, 2005
TO THE CERTIFICATEHOLDERS
OF THE
EASTERN SECURED LIQUIDATING TRUST

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
October 1, 2005 to December 31, 2005

RECEIPTS:	Quarter Ended	Cumulative From
	<u>12/31/2005</u>	<u>Effective Date</u>
Interest Income	2,429.98	1,535,446.64
Unsecured Claim v. Eastern	0.00	22,966,234.56
Settlement with Midway	0.00	2,765,000.00
Administrative Claim v. Pan Am	0.00	432,325.13
Administrative Claim v. Braniff	0.00	85,375.02
Insurance & Other	0.00	35,012.86
Consignment Parts Sales	0.00	928,702.68
Aircraft, Engines & Parts Sales	0.00	5,745,360.00
Aeron Settlement	0.00	129,180.90
Lease Payments and Reserves - ASERCA	0.00	3,873,160.61
Principal and Interest on Promissory Notes - AVENSA	0.00	17,235,896.56
Miscellaneous	0.00	6,826.73
Allocations from Restricted Reserve Escrows	<u>0.00</u>	<u>2,176,217.03</u>
	<u>2,429.98</u>	<u>57,914,738.72</u>
DISBURSEMENTS:		
Distributions to Certificateholders	0.00	57,482,561.00
Storage, Preservation, Inspections, Delivery - B727 Aircraft & Engines	0.00	47,442.55
Legal & Technical Expenses re: DC-9 & B727 Parts Consignments	0.00	41,427.36
Legal & Technical Expenses re: Repossession & Sale of Aircraft in Mexico	0.00	213,356.36
Legal & Technical Expenses re: Lease of Aircraft to ASERCA	0.00	88,962.50
Legal & Technical Expenses re: Sale of Aircraft to AVENSA	0.00	120,243.55
Legal & Technical Expenses re: JET AVIATION / FLORIDA WEST	0.00	237,206.42
Settlement of Braniff Claim	0.00	300,000.00
Legal Expenses re: Midway, Braniff & Pan Am Claims	0.00	202,235.33
Legal Expenses re: LNC Negligence Litigation	0.00	67,898.56
Advertising	0.00	3,347.00
Accounting Fees & Expenses	2,750.00	226,250.00
Corporate Trustee Fees and Expenses	0.00	479,657.27
Individual Trustee Fees and Expenses	0.00	1,370,104.69
Insurance	0.00	299,013.98
Commissions - Aeron and Airfinans	0.00	444,801.95
Legal Fees (including FAA counsel)	2,463.22	17,994.46
Return of Overpayment and Partial Refund of Reserves to ASERCA	0.00	772,586.78
Miscellaneous (incl. Adjustments to Sales Prices)	<u>0.00</u>	<u>31,491.84</u>
	<u>5,213.22</u>	<u>62,446,581.60</u>
Receipts Less Disbursements	-2,783.24	-4,531,842.88
Opening Cash and Equivalents	<u>412,571.62</u>	<u>4,941,631.26</u>
Closing Cash & Equivalents	<u>409,788.38</u>	<u>409,788.38</u>

See accompanying reconciliation and notes to statement of cash receipts and disbursements
and see Individual Trustee's compilation report

RECONCILIATION OF CASH IN RESERVE ACCOUNTS
October 1, 2005 to December 31, 2005

	<u>Balances</u> <u>10/1/2005</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursement</u>	<u>Net</u> <u>Changes</u>	<u>Balances</u> <u>12/31/2005</u>
ASERCA security deposit	0.00			0.00	0.00
ASERCA maintenance reserves	0.00			0.00	0.00
Unrestricted Certificates	6,444.76			0.00	6,444.76
Operating Reserve	320,751.84			-2,783.24	317,968.60
Final asset account**	<u>85,375.02</u>			<u>0.00</u>	<u>85,375.02</u>
Cash & Equivalents	412,571.62			-2,783.24	409,788.38
Unsecured claim v. Eastern		0.00			
Interest income		2,429.98			
Midway Settlement		0.00			
DC-9 and B727 parts sales		0.00			
Misc. (incl. Insurance refund)		0.00			
Payments AVENSA & ASERCA		0.00			
Aeron Settlement		<u>0.00</u>			
Total Cash Receipts		2,429.98			
Distributions to Certificateholders			0.00		
Corporate Trustee fees & expenses			0.00		
Individual Trustee fees & expenses			0.00		
Technical Inspection & Delivery of B727s & Engines			0.00		
Legal & technical expenses re: JET AVIATION / FLORIDA WEST			0.00		
Legal & technical expenses re: DC-9 & B727 Parts Consignments.			0.00		
Accounting fees & expenses			2,750.00		
Misc. (incl. Price Adjustments)			0.00		
Midway, Braniff & Pan Am Claims			0.00		
Advertising			0.00		
Aircraft Insurance, PRI & Trustee Liability			0.00		
Commissions (Tracor, Aeron, Airfinans)			0.00		
Legal & technical expenses re: DC-9 repossession in Mexico			0.00		
Legal & technical expenses re: DC-9 lease to ASERCA			0.00		
Legal & technical expenses re: DC-9 Sale to AVENSA			0.00		
Legal expenses re: LNC Negligence Litigation			0.00		
Legal Fees			<u>2,463.22</u>		
Total Cash Disbursements			5,213.22		
Reconciliation	412,571.62	2,429.98	-5,213.22	-2,783.24	409,788.38

** Subject to the terms of the Amended and Restated Trust Indenture, the balance in the Final Asset Account is available for distribution to the Certificateholders. All remaining funds are retained in the appropriate reserves pending monetization of the related Collateral or Claim and/or payment of the indicated liability.

**NOTES TO STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS
as of December 31, 2005**

1. Summary of Significant Accounting Policies:

Background:

Pursuant to various agreements and court orders, including a Chapter 11 Plan, a Settlement Agreement dated September 20, 1994 and a Confirmation Order of the United States Bankruptcy Court dated December 22, 1994, all of the various Trustees, including First Fidelity Bank National Association, Midlantic Bank, N.A., United Jersey Bank, and Shawmut Bank Connecticut, N.A. (the "Former Trustees") and all of their respective advisors and legal counsel, have been discharged and released from their duties and obligations effective as of February 6, 1995 (the "Effective Date") and replaced by Wilmington Trust Company as Corporate Trustee and by Glen Langdon as Individual Trustee. The Trust is now known as the Eastern Secured Liquidating Trust ("ESLT" or the "Trust").

Pursuant to the terms of the Amended and Restated Trust Indenture, all of the right, title and interests of First Fidelity Bank, as Collateral Trustee, in and to certain cash reserve accounts, a pool of aircraft, airframes and engines (collectively the "Collateral"), and to various administrative claims against the bankrupt estates of Midway Airlines, Braniff, and Pan Am ("Claims") have been transferred and assigned to Wilmington Trust as Corporate Trustee. The responsibility for the management of the Reserves and for monetizing the Collateral and the Claims has been given to Glen Langdon as Individual Trustee.

Basis of Presentation:

The Individual Trustee has prepared this financial statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. *Accordingly, the accompanying financial statement is not intended to present the financial position and results of operations of the Trust in conformity with generally accepted accounting principles.*

Cash Equivalents:

Cash equivalents are short-term investments with maturity of three (3) months or less.

2. Collateral

Collateral held by Wilmington Trust, as Corporate Trustee, consists of cash, cash equivalents, and the Collateral. As discussed in Note 3, certain amounts of cash and cash equivalents are restricted or reserved. The Individual Trustee intends to liquidate the Collateral and the Claims and distribute the proceeds to the Certificateholders in accordance with the Indenture.

3. Restricted Amounts and Additional Reserves:

Pursuant to and in furtherance of the Plan and Settlement Agreement, First Fidelity as Collateral Trustee established and delivered to Wilmington Trust Company as Escrow Agent certain funds (the "Escrow Funds") from cash distributions under the Plan otherwise allocable to the holders of respective Series Certificates, which secure the reimbursement of the reasonable unreimbursed fees and expenses (including reasonable attorneys fees) of the Former Trustees which are properly reimbursable after the Effective Date under the terms of the Secured Equipment Indenture or the Settlement Agreement and (i) which may have been incurred after May 31, 1994 or (ii) which were incurred prior to or after May 31, 1994 in connection with the Negligence Litigation (as defined in the term sheet attached to the Settlement Agreement).

During December 1997, the Individual Trustee and the Trust beneficiaries attempted to consummate a comprehensive settlement agreement with the Former Trustees, which efforts produced a formula for allocating the monies that was independent of the anticipated result of the trial scheduled for early 1998. No comprehensive settlement agreement was executed between the parties prior to the trial date. On March 23, 1998, the trial jury in the matter of the Negligence Litigation – i.e. - LNC Investments, Inc. et al v. First Fidelity Bank, et al - determined that the Former Trustees “failed to act in accordance with the prudent man standard” but that the Former Trustees failure to act in accordance with the “prudent man standard” did not proximately cause damage to the plaintiff. Therefore, pursuant to the terms of the Secured Equipment Indenture or the Settlement Agreement, the Former Trustees are not entitled to indemnification for legal fees or costs which they incurred in defending themselves in the Negligence Litigation and are therefore not entitled to any of the monies in the Reserve Accounts. LNC Investments, the plaintiff, has appealed the decision of the trial court and is awaiting a new trial date. The plaintiff’s appeal notwithstanding, the Individual Trustee and the Trust beneficiaries consummated a comprehensive settlement agreement with the Former Trustees that was approved by Bankruptcy Court Judge Burton Liffland on February 24, 1999.

Pursuant to the Order to Show Cause and to the Settlement Agreement, certain of the escrowed funds totaling \$6,071,483.35 of principal and accumulated interest were released to the Second Series and Third Series Disbursing Agents on March 29, 1999 for distribution. The \$698,659.25 principal balance of the escrowed funds that was not distributed to those Second and Third Series Certificate holders who elected to opt out of the Settlement Agreement (“Opt-Outs”) remains in the escrow accounts.

Upon termination of the respective Escrow Agreements, the Escrow Agent shall deliver any remaining funds held to the Shawmut Bank Connecticut, N.A. as the disbursement agent pursuant to the Plan for distribution to the respective Series Certificates held by Opt-Outs.

Restricted Escrow Amounts (at 12/31/2005):	Remaining	Accumulated
	<u>Principal</u>	<u>Interest</u>
First Series	0.00	0.00
Second Series	22,952.50	4,202.04
Third Series	267,686.50	49,007.16
Collateral Trustee	275,446.87	49,923.13
NatWest Reserve Escrow	<u>132,573.38</u>	<u>24,270.51</u>
	698,659.25	127,402.84

At December 31, 2005 pursuant to the terms of the Trust Indenture, the Corporate Trustee maintains reserves of cash and cash equivalents as follows:

Operating Reserve	317,968.60
ASERCA maintenance reserve	0.00
ASERCA security deposits	0.00
Unrestricted Certificates	6,444.76
Final Asset Account	<u>85,375.02</u>
	409,788.38

4. Operating and Financial Leases:

No cash receipts were derived from aircraft and engine leases for the period from Oct 1, 2005 to Dec 31, 2005.

The leases, as amended, between ESLT Aviation Holdings I, Inc. as lessor and Servicios Aereos Rutas Oriente (“SARO”) as lessee were in default from October 1994 and no payments of rent or of maintenance reserves were received from SARO from July 1994. Accordingly, the leases have been terminated. There was no reasonable expectation of recovery of approximately \$1.5 million of unpaid rentals and maintenance reserves due from SARO since the airline had not operated since January 1995 and was under the supervision of Mexican courts having jurisdiction over bankruptcy proceedings. On September 22, 1995, the two aircraft were sold on an “as-is, where-is” basis for \$1.5 million in total to the US affiliate of another Mexican airline which is unrelated to SARO. On June 17,

1996, the Purchaser finally obtained the Mexican court's consent to remove the aircraft from Monterrey for repair and overhaul in Costa Rica. No amount remains owing by the Purchaser to the Trust.

The leases, as amended, between ESLT Aviation Holdings I, Inc. as lessor and Aeroservicios Carabobo, S.A. ("ASERCA") as lessee relating to four (4) DC-9-31 aircraft were in full force and effect and the lessee was performing its obligations to pay monthly rent totaling approximately US\$114,000. On March 18, 1997, all four aircraft were sold on an "as-is, where-is" basis, subject to the terms of ASERCA leases, to JetAir International, Inc. for \$1,040,360.00 plus retention by ESLT of \$520,000.08 of security deposits plus retention of all rentals paid by ASERCA and \$689,700.05 of maintenance reserves. The aggregated sales proceeds were \$2,250,060.13 in favor of ESLT plus rentals received. No amount remains owing by the Purchaser to the Trust.

5. Aircraft and Equipment Sales:

No cash receipts were derived from Collateral sales for the period from Oct 1, 2005 to Dec 31, 2005.

<u>Buyer</u>	<u>Received</u>	<u>Balance</u>
Airmotive (part-out consignment of 4 x B727 airframes)	<u>0.00</u>	<u>0.00</u>
Totals	0.00	0.00

As of the Effective Date, the Trust had five (5) promissory notes outstanding with AVENSA in connection with the prior sale of three (3) DC-9-51 aircraft and four (4) DC-9-31 aircraft. The notes relating to the DC-9-51 aircraft bore interest at a fixed rate of 8.5% per annum and the notes relating to the DC-9-31 aircraft bore interest at floating rates equal to LIBOR + 3/4%. The notes were collateralized by the aircraft sold to AVENSA. The notes were declared to be in default because no US dollar payments were received after July 1994, when Venezuelan exchange controls were imposed. From July 1994, as part of a standstill agreement, AVENSA undertook to deposit an equivalent amount of Venezuelan Bolivars, calculated at the official exchange rate from time to time (initially 170 Bolivars to the US dollar, until devaluation on 12/11/95) to the required US dollar-denominated principal and interest payments held at the Banco Provincial in Caracas and held as collateral for the benefit of the Trust. AVENSA was able to obtain sporadic central monetary authority ("JAC") and currency exchange board ("OTAC") authority to use some of the accumulated Bolivars to purchase and export US dollars to repay some of the Trust's accumulated past due principal and interest payments.

Negotiations and discussions conducted between the Individual Trustee and AVENSA between February 1995 and October 1995 resulted in the formulation of a modified plan to cure the defaults and accelerate the repayment of the remaining principal balance outstanding. Pursuant to the modified plan, in return for ESLT's continued agreement to stand still, AVENSA agreed to overhaul two DC-9-31 aircraft (YV-770C and YV-764C) at AVENSA's expense and to offer the aircraft for sale with any proceeds of sale to be collected by ESLT and credited against AVENSA's indebtedness to ESLT. The first of the aircraft (YV-770C) underwent a "D" check at AVENSA's maintenance facility in Caracas and was completed by March 15, 1996. In mid-March, AVENSA terminated the modified plan and standstill agreement and agreed to sell all four of the DC-9-31 aircraft in a transaction outside the agreement with ESLT. In a subsequent legal action filed in Dade County, Florida, ESLT sued AVENSA for specific performance under the promissory notes and demanded repayment in full of the outstanding debt. This action was settled before the United States District Court Southern District of Florida on November 26, 1996 when AVENSA and the Individual Trustee entered into a Settlement Agreement which stipulated that AVENSA consents to the entry of a final judgement against them and will either pay the principal balance of \$5,300,274.07 plus interest at 10% per annum from September 1, 1996, plus legal expenses on or before April 1, 1997, or AVENSA will surrender a sufficient number of aircraft to the Trust to satisfy the then-outstanding debt in full.

In the interim, the planned sale by AVENSA of four DC-9-31 aircraft failed to close although a new buyer was identified for one aircraft (YV-770C) only. In August 1996 AVENSA paid \$2,825,515 to ESLT, which was equal to 100% of the proceeds of the sale of YV-770C less legal fees. AVENSA also undertook to pay to ESLT 100% of the sales proceeds, less legal fees, of any of the other DC-9 aircraft mortgaged to the Trust, if, as and when they are sold or re-mortgaged without assurances that such sales or re-mortgaging would occur.

On February 14, 1996, the DC-9-51 aircraft bearing Venezuelan registration YV-87C, and mortgaged in favor of the Trust, suffered a complete decompression at altitude and made an emergency landing at Caracas without injury or loss of life. The insurer retained Airclaims and McDonnell Douglas to examine the aircraft and to investigate the circumstances of the incident. These experts determined that a partial constructive loss occurred and have estimated that the cost of a repair would be \$3,061,708. A cash payment in this amount, less the \$100,000 deductible, yielding a net of \$2,961,708 was paid in August by the insurers directly to the Trust as the sole Loss Payee under the policy.

On March 14, 1997, AVENSA borrowed new funds from a third party lender, on the security of the remaining DC-9 aircraft mortgaged in favor of ESLT, and repaid a total of US\$5,589,247.92 to ESLT. No amount remains owing by AVENSA to the Trust.

AVENSA Payments Received:	<u>Date</u>	<u>USD Received</u>
	Jun-95	1,505,978.20
	Oct-95	2,733,141.10
	Jan-96	1,296,275.96
	Mar-96	324,030.38
	Jul-96	2,961,708.00
	Aug-96	2,825,515.00
	<u>Mar-97</u>	<u>5,589,247.92</u>
	Total	17,235,896.56

On March 23, 1995, the Trust entered into an agreement to sell twenty-one (21) JT8D-7B engines to Turbine Engine Technologies Corp., now known as AVTEAM. The sale price was \$1,300,000 of which \$250,000 was received in the first Quarter. The engines were sold "as-is, where-is" on April 21, 1995 after receipt of the \$1,050,000 balance of the purchase price. No amount remains owing by AVTEAM to the Trust.

On April 6, 1995, the Trust entered into a sale agreement with Jet Aviation Components to sell one (1) B727-225 Non-Advanced aircraft, including three (3) engines, at a gross price of \$440,000 before payment of commissions, fees and expenses. The aircraft was sold "as-is, where-is" on May 8, 1995 upon receipt of the \$420,000 balance of the purchase price. No amount remains owing by Jet Aviation Components to the Trust.

On April 6, 1995, the Trust entered into a sale agreement with IAL Aviation Holdings to sell one (1) B727-225 Non-Advanced aircraft, including three (3) engines, at a gross price of \$425,000 before payment of commissions, fees and expenses. Following further negotiations concerning certain engine records, the aircraft was sold on May 23, 1995 upon receipt of the \$380,000 balance of the purchase price. No amount remains owing by IAL to the Trust.

On April 6, 1995, the Trust entered into a sale agreement with Mexicargo, S.A. de C.V. to sell one (1) B727-225 Non-Advanced aircraft, including three (3) engines, at a gross price of \$425,000. before payment of commissions, fees and expenses. The aircraft was sold "as-is, where-is" on May 17, 1995 upon receipt of the net \$405,000 balance of the purchase price. No amount remains owing by Mexicargo to the Trust.

On April 12, 1995, the Trust entered into a sale agreement with the AGES Group to sell two (2) B727-225 Non-Advanced airframes, excluding engines, at a price of \$340,000. The airframes were sold "as-is, where-is" on April 21, 1995 after receipt of the full balance of the purchase price. No amount remains owing by AGES to the Trust.

On May 15, 1995, the Trust entered into a consignment agreement with Airmotive, Inc. of Burbank California relating to the dismantling and subsequent sale of parts from four (4) B727-200 airframes, excluding engines. Cash proceeds from the sale of parts were received from Airmotive each month net of dismantling, sales commissions, and direct shipping costs.

On September 21, 1995, the Trust entered into a sale agreement with Interglobal, Inc. to sell two (2) DC-9-31 aircraft, including certain engines, at a gross price of \$1,500,000. before payment of commissions, fees and expenses. The aircraft were sold "as-is, where-is" on the same day upon receipt of the full purchase price by wire transfer. No amount remains owing by Interglobal to the Trust.

On July 23, 1996, the Trust terminated the consignment agreement with Tracor Flight Systems relating to the dismantling of, and subsequent sale of parts from, two (2) DC-9-31 airframes, excluding engines. Cash proceeds

from the sale of parts by Tracor prior to the date of termination have been received from Tracor net of dismantling, sales commissions, and direct shipping costs. On July 26, 1996, the Trust entered into a sale agreement with Jet Air International, Inc. to sell all of the remaining inventory of DC-9 parts previously consigned to Tracor at a sale price of \$200,000.00, subject to physical audit adjustments. The parts were sold “as-is, where-is” upon payment of the full purchase price by wire transfer. No amount remains owing by the Purchaser to the Trust; however, the Trust had to adjust the sales price downwards by \$24,905.00 based on the outcome of a physical audit of the parts received from Tracor.

On October 8, 1996, the Trust entered into a sale agreement with JetAir International, Inc. to sell all of its interests in and to the four (4) DC-9-31 aircraft currently leased to ASERCA, subject to the terms of the governing leases. The closing date for the sale was postponed until March 1997 to accommodate the resolution of certain tax issues, and the final sale occurred on March 18, 1997. The aggregated sales proceeds were \$2,250,060.13 in favor of ESLT. No amount remains owing by the Purchaser to the Trust.

On February 14, 1997 the Trust terminated the consignment agreement with Airmotive, Inc. relating to the dismantling of, and subsequent sale of parts from, four (4) B727-200 airframes, excluding engines. All proceeds from the sale of parts by Airmotive prior to the date of termination have subsequently been received and no amount remains owing to the Trust.

On July 11, 1997, the majority of the remaining unsold parts inventory from the dismantling of four (4) B727-200 airframes, formerly consigned to Airmotive, was sold to JetAir International, Inc. The aggregated sales proceeds were \$110,000 in favor of ESLT. No amount remains owing by the Purchaser to the Trust.

On August 8, 1997, the remaining unsold parts inventory from the dismantling of four (4) B727-200 airframes, formerly consigned to Airmotive and still stored at Airmotive’s Kingman, AZ facility, was re-consigned to Airmotive. Cash proceeds from the sale of parts received from Airmotive each month, net of (a) Airmotive’s sales commissions, (b) ESLT-authorized repair or overhaul costs, and (c) Airmotive’s direct shipping costs were nominal through year-end 1999. On December 31st, 1999, the inventory value was written down to zero, the consignment terminated, and the parts scrapped.

On April 29, 1998, the Aeron Commission Reserve was terminated and the funds distributed in accordance with the terms of an agreement between the parties. No amount remains owing by the Trust to Aeron. No claims remain outstanding by or between the parties. No further expenses or costs to the Trust are expected to be incurred in respect of this matter in the future.

6. Claims.

Prior to the Effective Date, the Trust had asserted an administrative claim in the amount of \$30 million in the Midway Airlines, Inc. (“Midway”) bankruptcy for post-petition leases it entered into with Midway. The potential value of the Midway estate was significantly diminished on March 10, 1995 when the Bankruptcy Court ruled in favor of Northwest Airlines, Inc. (“NWA”) and against Midway in respect of a complaint filed earlier by Midway against NWA. The Midway estate is administratively insolvent with administrative claims totaling \$220 million, including the \$94 million ESLT claim, and has cash and aircraft parts assets worth an estimated \$12 million to 14 million. The Midway Chapter 7 Trustee disputed the amount of the ESLT Administrative Claim asserting various defenses. In April, 1996 and again in August, 1997, the Trust prepared and filed Amended Administrative Proofs of Claim incorporating claims for (a) unpaid basic rent (b) interest on unpaid basic rent to the date of Amended Claim (c) remarketing, storage, insurance and attorneys’ fees and (d) Agreed Value payments per the contract less all possible offsets and mitigations. The Total Damages claimed by ESLT in the August, 1997 Motion were in excess of \$94 million. Subsequent discussions with the attorneys on behalf of the Midway Chapter 7 Trustee proved fruitless. Numerous motions were subsequently filed with the Bankruptcy Court by each side and a trial was set for February 23 and 24, 1998. Settlement negotiations were reopened in the final days prior to trial, which resulted in mutual execution of a Settlement Agreement dated as of April 15, 1998, allowing for a \$36 million Chapter 11 Administrative Claim of which \$2.8 million would be paid before the end of October 1998, subject to final approval of the Bankruptcy Court.

The approval of the Bankruptcy Court was not obtained at that time and was rendered moot by an intervening decision by the Court to allow a claim by American Airlines a superior priority as a Chapter 7 Administrative Claim

thereby effectively preempting most of the remaining liquidity in the Midway estate before a distribution could be made to ESLT pursuant to the terms of the negotiated settlement. The Midway Chapter 7 Trustee vigorously opposed the Court's decision and filed numerous motions challenging the decision on legal and technical grounds. Legal and other alternatives, including a negotiated three-party settlement, were investigated. The three-party negotiation was completed in October 1999 and an Agreement memorializing the terms of the settlement, including a payment to ESLT in the amount of \$2,765,000 before December 31, 1999, was executed by the parties. A hearing was scheduled for November 17, 1999 for the Court to hear a Motion for Approval of the Settlement and Settlement Agreement. Bankruptcy Court approval was granted and a \$3,103,031.20 distribution was made to the Certificateholders prior to December 31, 1999.

Prior to the Effective Date, the Trust settled its administrative claim against the estate of Braniff International Airlines Inc. ("Braniff") for post-petition leases it entered into with Braniff by agreeing to pay \$300,000 to the Braniff estate in exchange for a \$300,000 administrative claim against the Braniff estate. Payment was made to Braniff by ESLT in March 1996 out of funds previously included in the Operating Reserve for that purpose and no further amount remains owing by ESLT to the estate of Braniff. In the second quarter of 2005, ESLT received a settlement of \$85,375.02 from its administrative claim in the amount of \$300,000 against Braniff. No further recovery is anticipated.

Prior to the Effective Date, the Trust asserted an administrative claim in the amount of \$12 million against Pan American World Airways, Inc. ("Pan Am") for post-petition leases it executed with Pan Am. A settlement was reached allowing an administrative claim of \$1,904,516 and the settlement has been approved by the Pan Am Creditor's Committee and a stipulation embodying this settlement has been executed. The estate is administratively insolvent and the value of the estate significantly diminished by an unfavorable judgment against Pan Am and in favor of Delta Airlines, Inc. rendered in December 1994 and not appealed by Pan Am in January 1995. A final disposition of the Trust's claim in the amount of 22.7 cents per dollar was received on April 18, 1996.

7. Distributions to Certificateholders:

<u>Date</u>	<u>Source</u>	<u>Total Distributions</u>	<u>Per ESLT Unit</u>
April 12, 1995	Reorganized Eastern Airlines	9,625,976.66	57.07
May 25, 1995	Individual Trustee / Corporate Trustee	3,110,182.60	18.44
June 20, 1995	Individual Trustee / Corporate Trustee	2,192,645.00	13.00
July 12, 1995	Reorganized Eastern Airlines	7,018,150.65	41.61
Oct. 6, 1995	Individual Trustee / Corporate Trustee	2,074,579.00	12.30
Oct. 24, 1995	Reorganized Eastern Airlines	3,508,232.00	20.80
Oct. 27, 1995	Individual Trustee / Corporate Trustee	2,698,640.00	16.00
Feb. 5, 1996	Individual Trustee / Corporate Trustee	1,686,650.00	10.00
May 7, 1996	Individual Trustee / Corporate Trustee	843,325.00	5.00
Aug. 5, 1996	Individual Trustee / Corporate Trustee	3,541,965.00	21.00
Aug. 19, 1996	Individual Trustee / Corporate Trustee	2,867,305.00	17.00
March 28, 1997	Individual Trustee / Corporate Trustee	7,083,930.00	42.00
April 1, 1997	Individual Trustee / Corporate Trustee	1,180,655.00	7.00
Nov 26, 1997	Reorganized Eastern Airlines	1,403,093.39	8.32
March 29, 1999	Restricted Reserve Escrows	2,176,217.03	12.90
August 7, 1998	Reorganized Eastern Airlines	1,403,343.60	8.32
June 14, 1999	Individual Trustee / Corporate Trustee	1,500,922.70	8.90
Dec 14, 1999	Individual Trustee / Corporate Trustee	3,103,031.20	18.40
May 15, 2003	Individual Trustee / Corporate Trustee	<u>463,768.25</u>	<u>2.75</u>
	Accumulated to December 31, 2005	\$57,482,612.08	\$340.81

**WILMINGTON TRUST COMPANY AS CORPORATE TRUSTEE
AND GLEN LANGDON AS INDIVIDUAL TRUSTEE
FOR THE
EASTERN SECURED LIQUIDATING TRUST**

Aircraft & Engines

<u>Aircraft/Airframes</u>	<u>Schedule Reference</u>	<u>10/1/2005</u>	<u>12/31/2005</u>	<u>Sales/Lease Proceeds Collected</u>	<u>Uncollected Balance Outstanding</u>
DC-9-31*	A	0	0	0.00	0.00
DC-9-51	B	0	0	0.00	0.00
B727-225Advanced **	C	0	0	0.00	0.00
B727-225Non-Advanced***	D	0	0	0.00	0.00
Total		<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>

<u>Engines</u>	<u>Schedule Reference</u>	<u>10/1/2005</u>	<u>12/31/2005</u>	<u>Sales/Lease Proceeds Collected</u>	<u>Uncollected Balance Outstanding</u>
JT8D-7B	E	0	0	0	0
Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

* Four (4) aircraft sold to JETAIR, subject to lease to ASERCA, plus three (3) aircraft sold to AVENSA.

** Two (2) aircraft were transferred to the ESLT on the Effective Date: however, the full \$1,880,000 cash proceeds of sale had already been received prior to the Effective Date and were distributed as part of the cash distribution to the Certificateholders of record on the Effective Date.

*** Four (4) airframes previously dismantled and stored at Kingman AZ, consigned to Airmotive and sold as spare parts.

**WILMINGTON TRUST COMPANY AS CORPORATE TRUSTEE
AND GLEN LANGDON AS INDIVIDUAL TRUSTEE
FOR THE
EASTERN SECURED LIQUIDATING TRUST**

**Schedule A
Aircraft - McDonnell Douglas DC-9-31**

Balance as of 10/1/2005 0 Aircraft

<u>Serial Number</u>	<u>Registration Number</u>	<u>Location</u>	<u>Transaction</u>	<u>12/31/2005 Status</u>	<u>Comments</u>
45733	N8916E	Mojave	ex-consignment	Sold 7/96	sold "as-is"
45734	N8917E	Mojave	ex-consignment	Sold 7/96	sold "as-is"
45837	YV-720C	ASERCA	financial lease	Sold 3/97	sold "as-is"
45867	YV-705C	ASERCA	financial lease	Sold 3/97	sold "as-is"
47157	YV-719C	ASERCA	financial lease	Sold 3/97	sold "as-is"
47166	N8943E	Monterrey	repossess & sell	Sold 9/95	sold "as-is"
47187	YV-718C	ASERCA	financial lease	Sold 3/97	sold "as-is"
47214	N8956E	Monterrey	repossess & sell	Sold 9/95	sold "as-is"
47121	YV-82C	AVENSA	conditional sale	Sold 3/97	sold "as-is"
47330	YV-770C	AVENSA	ex-cndtnl sale	Sold 8/96	sold "as-is"
47098	YV-760C	AVENSA	conditional sale	Sold 3/97	sold "as-is"
47331	YV-764C	AVENSA	conditional sale	Sold 3/97	sold "as-is"

Balance as of 12/31/2005 0 Aircraft
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**WILMINGTON TRUST COMPANY AS CORPORATE TRUSTEE
AND GLEN LANGDON AS INDIVIDUAL TRUSTEE
FOR THE
EASTERN SECURED LIQUIDATING TRUST**

**Schedule B
Aircraft - McDonnell Douglas DC-9-51**

Balance as of 10/1/2005 0 Aircraft

<u>Serial Number</u>	<u>Registration Number</u>	<u>Location</u>	<u>Transaction</u>	<u>12/31/2005 Status</u>	<u>Comments</u>
47683	YV-85C	AVENSA	conditional sale	Sold 3/97	sold "as-is"
47685	*YV-87C	AVENSA	ex-cndtnl sale	Sold 7/96	insurance proceeds received
47665	YV-90C	AVENSA	conditional sale	Sold 3/97	sold "as-is"

Balance as of 12/31/2005 0 Aircraft
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* This Aircraft was involved in an Insured Event caused by a complete decompression of the Aircraft during flight. No loss of life occurred during the incident. McDonnell Douglas, Airclaims and the Insurer investigated the extent of the damage and determined that the loss is a Partial Loss. An insurance settlement in the net amount of \$2.9 million was paid to Wilmington Trust as the sole Loss Payee in August, 1996.

**WILMINGTON TRUST COMPANY AS CORPORATE TRUSTEE
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FOR THE
EASTERN SECURED LIQUIDATING TRUST**

**Schedule C
Aircraft - Boeing B727-225 Advanced**

Balance as of 10/1/2005 0 Aircraft

<u>Serial Number</u>	<u>Registration Number</u>	<u>Location</u>	<u>Transaction</u>	<u>12/31/2005 Status</u>	<u>Comments</u>
20615	N8852E	Mojave	sale	sold 2/95	sold to EX-TEX International
20619	N8857E	Mojave	sale	sold 2/95	sold to EX-TEX International

Balance as of 12/31/2005 0 Aircraft
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**WILMINGTON TRUST COMPANY AS CORPORATE TRUSTEE
AND GLEN LANGDON AS INDIVIDUAL TRUSTEE
FOR THE
EASTERN SECURED LIQUIDATING TRUST**

**Schedule D
Aircraft - Boeing B727-225 Non-Advanced**

Balance as of 10/1/2005 0 Airframes
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<u>Serial Number</u>	<u>Registration Number</u>	<u>Location</u>	<u>Transaction</u>	<u>12/31/2005 Status</u>	<u>Comments</u>
20144	N8825E	Mojave	write-off	written off	*a/c dismantled, parts sold or written off
20145	N8826E	Mojave	sale	sold 5/95	sold to Jet Aviation Components
20146	N8827E	Mojave	write-off	written off	*a/c dismantled, parts sold or written off
20148	N8829E	Mojave	sale	sold 5/95	sold to IAL Aviation Holdings
20379	N8836E	Mojave	sale	sold 4/95	sold to AGES Group
20380	N8837E	Mojave	write-off	written off	*a/c dismantled, parts sold or written off
20383	N8840E	Mojave	sale	sold 5/95	sold to Mexicargo S.A. de C.V
20416	N8842E	Mojave	write-off	written off	*a/c dismantled, parts sold or written off
20446	N8848E	Mojave	sale	sold 4/95	sold to AGES Group

Balance as of 12/31/2005 0 Airframes

* Four (4) airframes previously dismantled and stored at Kingman AZ, were consigned to Airmotive and offered for sale as spare parts. The residue of structural aluminum components and control surfaces remaining after sale of the avionics and rotables has been written off as uneconomic to sell even as scrap metal.

**WILMINGTON TRUST COMPANY AS CORPORATE TRUSTEE
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FOR THE
EASTERN SECURED LIQUIDATING TRUST**

**Schedule E
Engines - Pratt & Whitney JT8D-7B**

Balance as of 10/1/2005	0 Engines
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<u>Serial Number</u>	<u>Installed</u>	<u>Location</u>	<u>Transaction</u>	<u>12/31/2005 Status</u>	<u>Comments</u>
655386	stand	Commodore	sale	Sold 3/95	sold to Turbine Engine Technology
657204	stand	Commodore	sale	Sold 3/95	sold to Turbine Engine Technology
657317	stand	Commodore	sale	Sold 3/95	sold to Turbine Engine Technology
649182	N8825E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
654945	N8825E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
657164	N8825E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
654633	N8826E	Mojave	sale	Sold 5/95	sold to Jet Aviation Component
654792	N8826E	Mojave	sale	Sold 5/95	sold to Jet Aviation Component
657378	N8826E	Mojave	sale	Sold 5/95	sold to Jet Aviation Component
649692	N8827E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
655851	N8827E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
657398	N8827E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
649527	N8829E	Mojave	sale	Sold 5/95	sold to IAL Aviation Holdings
655311	N8829E	Mojave	sale	Sold 5/95	sold to IAL Aviation Holdings
657215	N8829E	Mojave	sale	Sold 5/95	sold to IAL Aviation Holdings
649628	N8836E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
653887	N8836E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
649313	N8837E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
653981	N8837E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
654658	N8840E	Mojave	sale	Sold 5/95	sold to Mexicargo
655355	N8840E	Mojave	sale	Sold 5/95	sold to Mexicargo
655374	N8840E	Mojave	sale	Sold 5/95	sold to Mexicargo
649405	N8842E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
654054	N8842E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
657358	N8842E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
655314	N8848E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
655950	N8848E	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
649044	stand	Mojave	sale	Sold 3/95	sold to Turbine Engine Technology
654105	stand	Mojave	sale	sold 3/95	sold to Turbine Engine Technology
656848	stand	Mojave	sale	sold 3/95	sold to Turbine Engine Technology

Balance as of 12/31/2005	0 Engines
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Twenty-one (21) engines were sold to Interstar Trading Corp, dba Turbine Engine Technology on March 23, 1995 although the full purchase price was not received until April 20, 1995. The remaining nine (9) engines were sold to the buyers indicated on April 6, 1995 as part of sales of three complete aircraft and the balance of the sale prices were received on May 8, 1995. The sixteen (16) JT8D-7B engines that were installed on the four (4) DC-9-31 aircraft sold to JETAIR, subject to lease to ASERCA, and on the four (4) DC-9-31 aircraft sold to AVENSA are not shown on this report. Similarly, no report has been prepared for the six (6) JT8D-17 engines installed on the three (3) DC-9-51 aircraft sold to AVENSA.